

Message Text

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43

ACTION ARA-20

INFO OCT-01 ISO-00 EB-11 COME-00 L-03 AID-20 FRB-02

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CIEP-02 OMB-01 SIL-01 LAB-06 DRC-01 /098 W

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R 201210Z SEP 73

FM AMCONSUL SALVADOR

TO SECSTATE WASHDC 186

INFO AMEMBASSY BRILIA

AMCONSUL RIO DE JANEIRO

AMCONSUL BELEM

UNCLAS SALVADOR 0058

E.O. 11652: N/A

TAGS: BDIS, BR, US.

SUBJECT: OCEANIC BUTLER INC

REF: A) STATE 169253; B) STATE 180986

REFTEL A OF AUGUST 25 RECEIVED HERE BY POUCH SEPTEMBER 18

2. PORT CAPTAINS OFFICE WHICH IS COLLECTING AND COMPILING INFORMATION ON STATTON AND STATTONS INDEBTEDNESS IN BRASIL, FURNISHED FOLLOWING PRELIMINARY DATA ON SEPTEMBER 19. TOTAL INDEBTEDNESS , CS.2,470,000 (US 405,600). FIGURE FOR WAGE OBLIGATIONS, INCLUDING BACK SALARIES AND REQUIRED EMPLOYER CONTRIBUTIONS FOR INCOME TAX, SOCIAL SECURITY AND OTHER FUNDS TOTALS CS 1,660,000 (US 272,600. REMAINING AMOUNT, CS 810,000 (US 133,000) REPRESENTS DEBTS OWED BY COMPANY TO VARIOUS LOCAL SUPPLIERS OF GOODS AND SERVICES. THESE FIGURES ARE NTT YET COMPLE, BUT DO INCLUDE OBLIGATIONS INCURRED AT ALL FIVE OF SUBJECT FIRMS SITES THROUGHOUT BRAZIL. MORE DETAILED BREAKDOWN HAS BEEN PROMISED TO CONSULATE BY PORT CAPTAIN, AND WILL BE FORWARDED WHEN AVAILABLE .

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3) ESTIMATES OF AMOUNTS OWED TO COMPANY FOR PAST SERVICES RENDERED TOTAL CS 300,000 (US 49,300)

THESE RESOURCES WILL UNDOUBTEDLY BE IMPOUNDED, AND APPLIED AGAINST COMPANY'S LIABILITIES. ALSO, VARIOUS LEGAL ACTIONS WILL BE INITIATED IN LOCAL COURTS BY COMPANY'S CREDITORS IN AN ATTEMPT TO SECURE COMPENSATION. SINCE COMPANY HAD FEW FIXED ASSETS, IT OBVIOUS THAT WITHOUT ADDITIONAL RESOURCES MOST CLAIMS WILL NOT BE MET. STATTON'S LOCAL OFFICES PRS UPON WHICH BACK RENT IS OWED SINCE APRIL. ARE NOW LOCKED, AND NO ONE, SINCE LOCAL MANAGER RODRIGUEZ SUDDEN DEPARTURE, IS EMPOWERED TO ACT LOCALLY ON FIRMS BEHALF, NOTHING FURTHER HAS BEEN HEARD FROM CORDERO SINCE AUGUST 20, AND IT IS PRESUMED HE TOO HAS NOW LEFT BRAZIL.

4) AS DEPARTMENT WELL AWARE, PUBLICITY ON CASES LIKE THESE DOES LITTLE FOR LOCAL IMAGE OF US BUSINESS. ONCE FULL EXTENT OF COMPANY'S INDEBTEDNESS BECOMES WIDELY KNOWN. FURTHER UNFAVORABLE COMMENT CAN BE EXPECTED. ACCORDINGLY, CONSULATE WOULD APPRECIATE ANY FURTHER APPROACH DEPT MAY BE WILLING TO MAKE TO OCEANIC BUTLER IN US REGARDING FULFILLMENT OF STATTON AND STATTON'S LOCAL OBLIGATIONS. WOULD ALSO APPRECIATE KNOWING WHETHER, UNDER LOUISIANA LAW, INDIVIDUAL OR CLASS ACTIONS CAN BE BROUGHT AGAINST OCEANIC BUTLER IN STATE COURTS ON BEHALF OF FOREIGN CREDITORS. SLEIGHT

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